

What is the First-time Homebuyer Program?

The City's First-time Homebuyer Program provides very-low, low- and moderate-income Miami Beach residents with down payment assistance to purchase their first home.

The funds awarded to eligible residents are secured by a lien and restrictive covenant securing the City's funds that are subsequently forgiven after 15 years. If a homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance as defined in the City's *Local Housing Assistance Plan* (LHAP) plus applicable profit sharing as noted in the Plan. A copy of the plan is provided online at the City's website: www.miamibeachfl.gov

Who is eligible for this program?

The City utilizes State Housing Initiatives Partnership Program (SHIP) funds for its First-time Homeowner Program. The program provides down payment assistance to income-eligible residents who have never owned their own home. Eligible program participants must:

- Complete a First-time Homebuyers Training within six (6) months prior to application to the City
- Provide a minimum of two (2) percent of the target property's value in their own funds as down payment. These funds must be independently documented.
- Obtain mortgage approval from an FDIC-insured bank or mortgage lender for the balance value of the prospective property (purchase price – [owner-provided down payment – City subsidy]) and have a qualifying FICO Score
- Provide proof of income and assets as well as expenses for all applicant household members
- Provide proof of residency within Miami-Dade County
- Complete a First-Time Homebuyer Application accurately and completely
- Purchase a qualifying home within the City of Miami Beach

SHIP funds require that funds prioritize service to very-low and low-income families. According to SHIP guidelines, at least 30 percent of the funds must be reserved for awards to very-low-income persons and at least an additional 30 percent of the funds must be reserved for awards to low-income persons. The City will factor these guidelines in determining program eligibility.

"Very-low-income person" or "very-low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

"Low-income person" or "low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

"Moderate-income person" or "moderate-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 120 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

The income limits for fiscal year 2017 are:

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household									
		1	2	3	4	5	6	7	8	9	10
Miami-Dade County (Miami-Miami Bch Kendall HMFA; Miami-Ft. Lauderdale-Pompano Bch) Median: 51,800	30%	15,900	18,150	20,420	24,600	28,780	32,960	37,140	41,320	Refer to HUD	
	50%	26,450	30,200	34,000	37,750	40,800	43,800	46,850	49,850	52,850	55,870
	80%	42,300	48,350	54,400	60,400	65,250	70,100	74,900	79,750	84,560	89,392
	120%	63,480	72,480	81,600	90,600	97,920	105,120	112,440	119,640	126,840	134,088
	140%	74,060	84,560	95,200	105,700	114,240	122,640	131,180	139,580	147,980	156,436

What kind of assistance is available?

The City may provide up to \$150,000 in funds for down payment assistance for eligible very-low income homeowners contingent upon the availability of funds. Low income homeowners may receive up to \$100,000 for down payment assistance contingent upon the availability of funds. Moderate-income homeowners may receive up to \$50,000 in down payment assistance contingent upon the availability of funds. Funds are provided to eligible residents as a deferred forgivable loan that is secured by a lien and restrictive covenant on the property. If the homeowner continues to reside in his/her home for 15 years, the full amount is forgiven. If the homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance plus applicable profit sharing as noted in the Restrictive Covenant and Mortgage executed at the time of program award and property acquisition. Please further note that SHIP guidelines require that a portion of awarded funds be utilized for construction-related expenses.

Program funds are contingent upon availability and will be released in accordance with the income eligibility distributions required for each funding source.

How do I apply for assistance?

In order to apply for assistance, eligible residents must be a United States citizen or resident who complete and submit an *Eligibility Application* and the following documentation:

- Copy of valid state-issued identification for prospective homeowner(s)
- Copy of Social Security card for prospective homeowner(s) and other household members

- Evidence of income and expenses for prospective homeowner(s) and all others residing in the applicant household
- Copy of FPL utility bill or other utility bill for the past six (6) months
- Copy of prior two years' signed Federal Income Tax Returns for all prospective homeowner(s)
- Copy of most current six (6) months' of bank statement for all prospective homeowner(s) accounts
- Certificate of completion for First-Time Homebuyers Training obtained within six (6) months of application
- Letter of mortgage approval from FDIC-insured bank or mortgage lender for the value of the property minus homeowner down payment and City assistance and have a qualifying FICO Score

The City reserves the right to verify all information provided and to request a confidential credit report to determine program eligibility. The submission of false or inaccurate information may result in program disqualification.

Program funds are contingent upon availability and will be released in accordance with the income eligibility distributions required for each funding source.

How much money can I receive for down payment assistance?

Prospective homeowners may receive between \$50,000 to \$150,000 in down payment assistance dependent on their household income and as delineated in the City's Local Housing Assistance Plan (LHAP). Prospective homeowners must reside in the home for which assistance is being sought. As a reminder, prospective homeowners must provide a minimum of two (2) percent of the target property's value of their own funds as down payment.

Do I have to put any of my money into the purchase of the home?

Yes, prospective homeowners must contribute a minimum of two (2) percent of the value of the purchased property as down payment at the time of closing. Assisted properties cannot be used as rental properties.

Do I have to repay these funds?

No, funds do not have to be repaid as long as it maintained as the applicant's homesteaded residence for the 15-year affordability period. However, you must ensure that your property continues to comply with all Code Compliance and Building Department rules during the affordability period.

If, however, a homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance plus applicable profit sharing as defined in the City's *Local Housing Assistance Plan* (LHAP). A copy of the Plan is provided online at the City's website: www.miamibeachfl.gov

What if I have more questions not answered here?

If you have any questions, please contact the City's Office of Community Services at 305-673-7491 or by emailing your question to the HOME/SHIP Program Coordinator at marcelarubio@miamibeachfl.gov.

Where do I submit completed applications?

Completed applications must be submitted in person to the Office of Housing and Community Services located at 1661 Pennsylvania Avenue, Miami Beach, Florida 33139. The Office is open Monday through Friday (excluding legal holidays), 8:30am to 12:30pm and 1:30pm to 5pm. Faxed or emailed copies will not be considered.

Key SHIP Terms and Regulatory References

"Affordable" means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household's ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

"Eligible housing" means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or previous building codes adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.

"Eligible person" or "eligible household" means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

"Loan" means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially finance the acquisition, construction, or rehabilitation of eligible housing with requirement for repayment or provision for forgiveness of repayment if the condition of the award is maintained.

"Low-income person" or "low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever amount is greatest. With respect to rental units, the low-income household's annual income at the time of initial occupancy may not exceed 80 percent of the area's

median income adjusted for family size. While occupying the rental unit, a low-income household's annual income may increase to an amount not to exceed 140 percent of 80 percent of the area's median income adjusted for family size.

"Sales price" or **"value"** means, in the case of acquisition of an existing or newly constructed unit, the amount on the executed sales contract. For eligible persons who are building a unit on land that they own, the sales price is determined by an appraisal performed by a state-certified appraiser. The appraisal must include the value of the land and the improvements using the after construction value of the property and must be dated within 12 months of the date construction is to commence. The sales price of any unit must include the value of the land in order to qualify as eligible housing as defined in subsection (8). In the case of rehabilitation or emergency repair of an existing unit that does not create additional living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser. In the case of rehabilitation of an existing unit that includes the addition of new living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements in either case.

"Very-low-income person" or **"very-low-income household"** means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the very-low-income household's annual income at the time of initial occupancy may not exceed 50 percent of the area's median income adjusted for family size. While occupying the rental unit, a very-low-income household's annual income may increase to an amount not to exceed 140 percent of 50 percent of the area's median income adjusted for family size.

Funds Distribution

At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve very-low-income persons and at least an additional 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to low-income persons or eligible sponsors who will serve low-income persons.

Length of Loan Terms

Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.

Maximum Sales Price

The maximum sales price or value per unit and the maximum award per unit for eligible housing benefiting from awards made pursuant to this section must be established in the local housing assistance plan. The FY 2016 maximum sales price for Miami-Dade County (which is 90% of the average area purchase price) is \$325,301.

Reporting to State

Each county or eligible municipality shall submit to the corporation by September 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding

submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's or eligible municipality's chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation. The report must include, but is not limited to: (a) The number of households served by income category, age, family size, and race, and data regarding any special needs populations such as farmworkers, homeless persons, persons with disabilities, and the elderly. Counties shall report this information separately for households served in the unincorporated area and each municipality within the county.